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THE

## INTERIM

A REPORT OF INTERIM ACTIVITY . . . MONTANA LEGISLATIVE COUNCIL . . . HELENA

FEBRUARY 1982

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## DISTRICTING AND APPORTIONMENT

JANUARY 8, 9  
MEETING HELD

The Districting and Apportionment Commission held a full two-day meeting on January 8 and 9, 1982, at the end of which it provisionally had set 45 House districts in non-urban areas throughout the state. The Commission emphasized throughout its meeting that all decisions it makes are tentative "subject to public review and final review by the Commission." To illustrate this point, the Commission altered district boundaries for 8 districts in eastern Montana, which it had proposed at its last meeting in October. The changes were made in response to the overwhelming criticism which had been expressed by individuals and the press about the original plan. The alternative plan received the endorsement of all the people from that area who were present at the meeting.

EASTERN MONTANA  
PROPOSALS ALTEREDSENATE DISTRICTS  
TO BE DEFINED  
LATER --  
MALMSTROM NOT  
TO BE SPLIT

Other actions taken by the Commission include the decision to wait until all 100 House districts are set before defining Senate districts and the decision to leave Malmstrom Air Force Base undivided, while adding between 1192 and 1585 people from Great Falls to complete the district population. This latter decision was made after the Commission's staff attorney advised it that dividing the base might constitute a violation of the community's rights of equal protection, as other districts in the state are being formed based on the criteria of maintaining "communities of interest," not on the criteria of voter turnout.

CONRAD HEARING  
SET FOR FEB. 26

The Commission has scheduled its first public hearing for February 26 at 10:00 a.m. in the Courtroom of the County Courthouse in Conrad. The hearing will include consideration of districts in Glacier, Pondera, Teton, Toole, Liberty, Hill, and Chouteau Counties. The public is invited to attend.

URBAN DISTRICT  
WORK BEGINS

In the next few months, staff for the Commission will be traveling to the state's urban centers to meet with informed people regarding district proposals.

STATE DOCUMENTS COLLECTION

FEB 1 1982

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Helena, Montana 59601

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## COAL TAX ADVOCACY

### REPORT TO GOVERNOR AVAILABLE

Leon Billings has prepared a report for Governor Schwinden on the status of coal severance tax activities in the 97th Congress.

### SUMMARY

The report indicates that while not much action on limitation of coal severance taxation occurred in last year's Congress, the issue is not dead. Limitation proponents are in the process of redefining the issue along several lines. The appeal to consumerism did not work out well, so proponents are variously arguing that the severance taxes are an abuse of tax power to extract revenue from an unrepresented public, that the fundamental unfairness of the tax will spur retaliatory policies resulting in an economic civil war, that the tax unfairly penalizes the Midwest and East at the same time the new fiscal federalism is having the same effect, and that the tax provides an unfair advantage to the states that can impose it benefiting economic development at the expense of other states. Some proposals are to prohibit state taxation of minerals extracted from federal lands on the theory that any revenues so derived ought to benefit the nation as a whole. The report indicates that lobbying activities this year will concentrate on carefully following developments in Congress while working to educate key members and staff as to Montana's position. The lobbyist will be prepared to react to moves to amend a rider on any bill or to react to any effort to begin to move a limitation bill through committee or to amend a measure into a bill there.

The full report is available to legislators on request from the Office of the Lieutenant Governor. Contact Mike Shields. A copy is also available in the Legislative Council Library.

## LEGISLATIVE COUNCIL

### FEBRUARY 22 MEETING

The Legislative Council will meet February 22 at 10:00 a.m. in Room 139.

### ANNOTATIONS FOR SIX TITLES MAILED

The Legal staff recently mailed Annotations to six more titles of the Code. Twelve titles remain to be completed. Three of those titles, Judiciary, Public Retirement, and Environmental Protection, are at the printing stage. Education, Labor, and Public Utilities are scheduled for printing in March. All 12 titles are scheduled for completion by fall. In addition, updates to the Civil Procedure and Family Law Annotations have been completed by Legal staff and will be mailed within two or three months.

YOUR TAX FORMS  
HAVE BEEN MAILED

Council Accounting staff mailed W-2 and 1099 forms on January 29 to all legislators, along with copies of all expense statements filed in 1981 and an explanation of the federal tax law concerning deductions of legislative expenses.

## INTERIM COMMITTEES

### BUSINESS

TENTATIVE MARCH  
DATE SET

The Subcommittee is continuing to sift through and absorb information regarding the improvement of Montana's economic climate. The committee is considering a March 12 meeting in Helena.

### EDUCATION

JANUARY 8  
MEETING HELD

The Joint Subcommittee on Education held its third meeting of the interim on January 8 in Helena. Subcommittee members heard a staff summary of a report on education finance issues in Montana and options for further study as prepared by Dr. Mary Frase Williams, a consultant for NCSL. The report outlined several problem areas of school finance and suggested that the following solutions might be studied: that the foundation program support level might be pegged to some percentage of the average expenditure per pupil; that some type of equalization (or guaranteed tax base) could be developed for a portion of the voted levy area; that the county retirement levy be equalized across the state; or that the foundation program might be linked to the cost of meeting the accreditation standards or some other definition of what constitutes basic education in Montana.

MEMBERS AGREE  
ON NEED FOR MORE  
STATE SUPPORT

Subcommittee members agreed that the state should guarantee more support for education, to avoid a suit, and reduce local taxation inequities. Members discussed possible funding sources for increased state aid. Several of the ideas debated included: a sales tax; a "gross income tax" system to replace the present system; and possible realignment of the coal tax revenue.

REPORT SAYS  
SCHOOL BUDGETS  
HAVE NOT  
DECLINED WITH  
ENROLLMENT

John Campbell, business manager for the Helena schools, presented a study that suggests that schools have actually gained spending authority, despite inflation. He contended that school budgets have not declined along with enrollment because districts are not yet willing to reduce faculty and close schools.

WATCH FOR EARLY  
MARCH MEETING

The next Subcommittee meeting will be held in early March.

## FISH AND GAME

JANUARY 9  
MEETING HELD

The Fish and Game Subcommittee held its second meeting on January 9 at the Capitol. Committee members heard Jim Flynn, Director of the Department of Fish, Wildlife, and Parks, report on organizational changes that have occurred in the past year. Spencer Hegstad, Chairman of the Fish and Game Commission, gave a presentation on the Commission's role as policy-maker for the department. Staff presented a report on the organizational structure and management objectives of the department.

FAIRNESS OF  
PERMIT DRAWINGS  
TO BE STUDIED

The afternoon session opened with questions and answers from the committee and the audience. Topics discussed included the "Conservation Officer" concept, the Warden Retirement Fund, and staffing the department to the levels allowed by the 1981 Legislature. The committee also instructed the staff to analyze the 1981 special drawing for sheep permits and report on the analysis at next meeting.

The next meeting of the Fish and Game Subcommittee is scheduled in Bozeman on March 5, 1982, at 9:00 a.m. A meeting place and agenda have not yet been finalized.

## HUMAN SERVICES

WATCH FOR  
EARLY MARCH  
MEETING

The Subcommittee on Human Services will hold its fourth meeting in early March on a date yet to be chosen. The agenda for that meeting will include 1) a report on a youth services survey which is now being conducted in fourteen counties; 2) a proposal by the Board of Crime Control to improve the efficiency of the residential child care system in the state; 3) a final presentation of the Persistent Offender Task Force legislation; and 4) a proposal by the Montana Probation Officers' Association. More details will be included later.

## JUDICIARY

FEBRUARY 6  
MEET SET

The next meeting of the Joint Subcommittee on Judiciary, originally set for January, has been rescheduled for Saturday, February 6, 1982. The meeting will begin at 10:00 a.m. in Room 104 of the State Capitol.

SENTENCE AND  
APPEALS REVISION  
BILLS TO BE  
REVIEWED

During the morning session, the committee will continue its study of delays in the criminal appellate process. Agenda topics include a review of proposed legislation concerning state appeal of criminal sentences and revisions in the criminal appellate procedure.

JUDGES TO  
REPORT A  
REDISTRICTING  
PLAN

The afternoon session is reserved for topics relating to judicial redistricting. A district court judges' committee will review its redistricting plan. Judiciary committee members will also discuss state funding for district court operations and legislation requiring the random assignment of judges in criminal and civil cases in multijudge districts.

HIGHWAYS

WEIGHT-DISTANCE  
TAX DISCUSSED  
JANUARY 14

The Joint Subcommittee on Highways heard the pros and cons of the weight-distance tax at its January 14 meeting. John Merriss, Transportation Economist for the State of Oregon, described the principles and practices of that state's weight-distance tax which has been in use for more than 45 years. Warren Hoemann of the Western Highway Institute in San Bruno, California, presented the trucking industry's opposition, assisted by Mike Rice and Ben Havdahl.

USE OF BONDING  
FOR HIGHWAYS  
CONSIDERED

The committee also heard during that meeting an explanation of bonding laws and procedures by Robert L. Ehlers, Jr. and Russell B. Heise, representing Dain Bosworth, a regional investment firm.

MARCH 8, 9 MEETING  
TO CONSIDER USE  
OF COAL TAX MONEY  
FOR HIGHWAYS

The committee scheduled its next meeting for Monday and Tuesday, March 8 and 9, when the subject will be a proposal to appropriate to the highway program part of the corpus of the Coal Severance Tax Trust Fund as well as part of the revenue from coal severance tax and interest from the trust fund. At the same time, the committee will look at a proposal to use more of the oil severance tax for highways.

All persons interested in the use of the coal severance and oil severance taxes are encouraged to appear before the committee.

TRANSPORTATION

JANUARY 29  
MEETING

The Joint Subcommittee on Transportation met on January 29, as this issue was going to press.

On the agenda for that meeting were the method of selection of sites for grain subterminals and the functions of the gross vehicle weight permitting system.

To fulfill its mandate from the Legislature, the Transportation Committee will next look into the anticipated impacts of deregulation on the intrastate motor carrier system.

## REVENUE OVERSIGHT COMMITTEE

MEETING  
FEBRUARY 5

The next meeting of the Revenue Oversight Committee will be held in Helena on Friday, February 5, 1982, at the Capitol. The meeting will begin at 9:00 a.m. in Room 104.

The tentative agenda for the meeting includes a report from the Department of Revenue on property tax issues, legal issues, and an update on the Liquor Division. The committee staff will present research information on the fiscal condition of local governments, as will the Governor's Temporary Committee on Local Government Finance. An additional item on the agenda includes a discussion of possible revenue losses in FY 1983 due to the loss of business inventory from the tax base.

## COAL TAX OVERSIGHT SUBCOMMITTEE

JANUARY 29  
MEETING

The Coal Tax Oversight Subcommittee met in Helena on Friday, January 29, 1982. The results of the meeting will be detailed in the next Interim.

## ADMINISTRATIVE CODE COMMITTEE

JANUARY 26  
MEETING

The committee met on January 26 and reviewed those rules published in 1981 MAR Issues 21 through 24, as well as a broad range of other matters related to rulemaking by executive branch agencies. The committee heard a request from Representative Steve Waldron to bring a legal action in the Montana Supreme Court to determine the validity of rules adopted by the Secretary of State creating an ethics commission. No action was taken by the committee, on a 3 to 3 tie vote. The committee also heard several staff presentations relating to the review of rules adopted before the creation of the Administrative Code Committee, and on the issue of requiring executive agencies to prove the necessity for a rule at the time it is proposed. On this subject the committee voted to express its concern that all agencies were not proving the necessity for proposed rules and voted to have legislation drafted more clearly requiring proof of necessity.

ETHICS COMMISSION  
RULES ACTION  
PROPOSED

RULES NECESSITY  
PROOF CONCERNS  
COMMITTEE

MONTAX V. DOR  
SUIT REVIEWED

In other business the committee reviewed the status of a law suit between the Montana Taxpayers' Association and the Department of Revenue (Montax v. Dept. of Revenue, Lewis and Clark County No. 47126) in which the Department has challenged the constitutionality of the law authorizing the Legislature to direct the amendment of administrative rules (2-4-412(2), MCA). The committee also voted to support that the state's



JUSTIFICATION  
FOR PROFESSIONAL  
LICENSING FEE  
CHANGES REQUESTED

professional and occupational licensing boards furnish the committee with cost data justifying any changes in licensing fees.

ENVIRONMENTAL QUALITY COUNCIL

MEETING SET FOR  
FEBRUARY 10

The next meeting of the Council is set for Wednesday, February 10 to begin at 9:00 a.m. in Room 104 of the Capitol. The agenda will include a discussion of the Montana Environmental Policy Act, various oil and gas issues, and a pesticides update.

PUBLIC MEETING  
SCHEDULED IN  
COLUMBUS  
FEBRUARY 11

Representative Dave Brown, Chairman of the EQC/ROC Subcommittee on Hard-Rock Mining, has rescheduled the subcommittee's trip to Columbus for February 11. In addition to a public meeting to be held at 7:00 p.m. in the Stillwater Pavilion, there is scheduled for the afternoon a series of informal meetings with representatives from local government, civic groups, and public interest organizations. While the public meeting is intended to promote discussion of substantive aspects of the hard-rock study, the afternoon meetings are designed to establish personal contact with key individuals in order to foster communication and cooperation for the betterment of the study.

RENEWABLE ENERGY  
PROGRAM  
DISCUSSION  
JANUARY 29

The Chairman of the EQC Subcommittee on the Renewable Alternative Energy Program, Senator Harold Dover, has scheduled the subcommittee's next meeting for Friday, January 29. The meeting will begin at 10:00 a.m. in Room 139 of the Capitol. Following its meeting, the subcommittee will meet jointly with the Coal Tax Oversight Committee in Room 108 at 3:00 p.m. to discuss coordination of the oversight function of both committees.

FEBRUARY 9 DATE  
SET TO DISCUSS THE  
ENVIRONMENT AND  
THE ECONOMY

The EQC Subcommittee on the Environment and the Economy, Senator Gary Lee, Chairman, will hold a meeting on Tuesday, February 9 at 7:00 p.m. in Room 104 of the Capitol. The subcommittee will continue with its study plan and its major focus which is to sponsor a public forum to discuss the impact of Montana's environmental regulations on the state's economy. The forum will be held later in the spring.

LEGISLATIVE AUDIT COMMITTEE

LEGISLATIVE AUDIT  
COMMITTEE MEETING  
FEBRUARY 8, 9

The Legislative Audit Committee, consisting of Senators Matt Himsl, Chet Blaylock, Steve Brown, and Frank Hazelbaker, and Representatives Kathleen McBride,

Robert Anderson, Jim Burnett, and Steve Waldron, will meet February 8 and 9 in Room 104 of the State Capitol.

REPORTS TO BE  
ISSUED

The Committee will receive and review the following financial/compliance audit reports:

Department of Administration  
Social and Rehabilitation Services  
Board of Pardons

The Committee will also receive and review the following audit conducted by a certified public accounting firm:

State Insurance Benefits

SUNSET

Hearings will be held on the following sunset reports:

Board of Water and Wastewater Operators  
Board of Water Well Contractors

REPORTS AVAILABLE

Copies of all reports are available from the Office of the Legislative Auditor, Room 135, State Capitol, telephone 449-3122.

LEGISLATIVE CONSUMER COMMITTEE

HEARING DATES  
NOTED ON CALENDAR


A number of utility rate hearings have been scheduled in the western half of Montana in the next month. Dates and subjects are noted on the calendar attached. The Consumer Counsel's office will be participating in all of these hearings to assist the public.

LEGISLATIVE ADVISORY COMMITTEE ON SJR 34

FIRST MEETING HELD  
JANUARY 7

The first meeting of this Committee was held on January 7, 1982, in Helena. Senator Jan Wolf was elected Chairperson and Senator Bill Norman, Vice Chairman. The primary task of the group is to examine the licensing laws of facilities that provide protective oversight, supervision, personal care, rehabilitation, and health care. The study will involve input from not only the departments which license these types of facilities, but from the affected industries as well. The next meeting, scheduled for early in March, will provide the Committee with information as to the most pronounced problems within the scope of the resolution. The study should be completed in time for the outcome to be presented to the 48th Legislature.

# LEGISLATIVE INTERIM CALENDAR

FEBRUARY					SATURDAY	
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	
1	2 MONTANA Great Falls 7 pm	3 POWER RATE HEARINGS Butte 7 pm	4 INCREASE Missoula 7 pm	5 REVENUE OVERSIGHT RM 104 9 am Capitol Archi- tects and Sen Leadership RM 139 1:30pm	6 JUDICIARY 10 am RM 104	
7	8 LEGISLATIVE AUDIT COMM. RM 104	9 LEGISLATIVE AUDIT COMM. RM 104 Pacific Power & Light rate increase Kalispell 10am EQC - subcomm. RM 139 7:00pm	10 EQC RM 104 9 am	11 12 Lincoln's Birthday Celebrated	13	
14 	15 Washington's Birthday Celebrated	16 WATER RESOURCES BUTTE (tentative)	17	18	19	20
21	22 LEGISLATIVE COUNCIL RM 139 10 am	23	24	25	26 DISTRICTING & APPORTIONMENT COMMISSION CO. COURTHOUSE CONRAD 10 am	27
28						

MEETING TIME AND DATES SUBJECT TO CHANGE

## LEGISLATIVE INTERIM CALENDAR

MARCH

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2 Northwester Telephone Systems rate increase Kalispell 10 am	3	4	5 FISH & GAME 9 am BOZEMAN location TBA	6
7	8 HIGHWAY COMMITTEE RM 104	9 HIGHWAY COMMITTEE RM 104	10	11	12 BUSINESS COMMITTEE RM 104 10 am (tentative)	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

MEETING TIME AND DATES SUBJECT TO CHANGE



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